

Message Text

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PAGE 01 LONDON 02331 091909Z
ACTION EUR-12

INFO OCT-01 ISO-00 FRB-01 CIAE-00 DODE-00 PM-04 H-02
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 ERDA-07 AID-05 CEA-01 CIEP-02 COME-00 EB-08
FPC-01 INT-05 OMB-01 OES-06 STR-04 ACDA-10 FEA-01
/121 W

-----100231Z 113707 /72-61

R 091830Z FEB 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 484
TREASURY DEPT WASHDC

UNCLAS LONDON 2331

DEPARTMENT PASS FEDERAL RESERVE BOARD

EO 11652: N/A
TAGS: EFIN, UK, ENRG
SUBJECT: UK GOVERNMENT SALE OF BRITISH PETROLEUM SHARES

1. PARAGRAPH 12 OF CHANCELLOR HEALEY'S DECEMBER 15
LETTER TO THE IMF REQUESTING A STANDBY SPECIFICALLY SPEAKS
OF "A SALE DURING 1977/78 OF BRITISH PETROLEUM SHARES
CALCULATED TO YIELD 500 MILLION POUNDS" AS ONE OF THE
MEASURES DESIGNED TO HOLD PUBLIC SECTOR BORROWING TO 8.7
BILLION POUNDS IN THAT FISCAL YEAR.

2. THE TIMES OF FEBRUARY 8, REPORTS THE FOLLOWING PARLIA-
MENTARY EXCHANGE ON FEBRUARY 7:
QUOTE: THE PROPOSAL TO SELL OFF THE GOVERNMENT'S 20 PER-
CENT STAKE IN BP WAS NOT IRREVOCABLE. IT WAS A MATTER
THAT COULD BE LOOKED AT AND DISCUSSED, MR. HAROLD LEVER,
CHANCELLOR OF THE DUCHY OF LANCASTER (MANCHESTER, CENTRAL,
LAB). SAID, MR. PETER ROST (SOUTH-EAST DERBYSHIRE,)
HAD ASKED MR. LEVER IF IT WAS HIS IDEA, TO SELL OF THE GOV-
ERNMENT'S STAKE IN BP AS PART OF THE IMF CONTRACT.
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WAS IT STILL THE GOVERNMENT'S INTENTION TO GO AHEAD
WITH THE AGREEMENT AND IF THEY DID NOT, WOULD THE CHANCEL-
LOR OF THE DUCHY RESIGN? HE ADDED.

MR. LEVER-- THIS IS NOT THE PLACE WHERE WE DISCUSS
IDEAS OF GOVERNMENT; WE DISCUSS THE DECISIONS OF GOVERN-

MENT. THIS WAS A COLLECTIVE DECISION OF THE GOVERNMENT
AND IT REMAINS THEIR INTENTION TO GO AHEAD WITH THAT SALE.

MR. DENNIS SKINNER (BOLSOVER, LAB)-- RECENT REPORTS
HAVE BEEN CIRCULATING THAT THE SECRETARY OF STATE FOR
ENERGY (MR. WEDGWOOD BENN) IS NOW TALKING IN TERMS, PRIV-
ATELY PERHAPS, OF NOT SELLING OFF THE 20 PERCENT STAKE IN
BP. SINCE WE ARE SUPPOSED TO BE MOVING INTO A MUCH ROSIER
SITUATION ECONOMICALLY, WOULD MR. LEVER NOT AGREE WITH
WHAT MR. BENN IS SUGGESTING?

MR. LEVER-- MR. SKINNER HAS A CLOSER RELATIONSHIP TO
MR. BENN'S PRIVATE CONFIDENCES THAN I HAVE IN THIS MATTER.
MR. BENN HAS NOT DISCUSSED THIS WITH ME.

IT WOULD BE FOOLISH TO TREAT THIS AS IF IT WERE SOME
FUNDAMENTAL PLANK OF THE COVENANT THAT WE SHOULD SELL IT
OFF OR WE SHOULD NOT SELL IF OFF.

ALTHOUGH THIS WAS ANNOUNCED BY THE CHANCELLOR OF THE
EXCHEQUER (MR. DENIS HEALEY) IT IS NOT COMPLETELY IRREVOC-
ABLE. IT IS A MATTER THAT CAN BE LOOKED AT AND
DISCUSSED.

THE QUESTION HAD BETTER BE DIRECTED TO THE CHANCELLOR.
UNQUOTE.

3. EMBASSY IS MAKING INQUIRIES.ARMSTRONG

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NNN

Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
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Sent Date: 09-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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